

28 October 1976

MEMORANDUM FOR: Chief, Position Management & Compensation Division

FROM : Chief, Policies and Standards Branch

SUBJECT : Presidential Management Initiatives

1. You know of my concerns expressed several times in the past month over the Agency's responses to the Presidential Management Initiatives (PMI) and the fact that there has been dead silence on the part of the Comptroller, at least to us, since 20 September 1976 as to what PMCD need do next if anything. As you and [REDACTED] have requested **STATINTL** I have again reviewed all of the material on this subject of which I am aware and, in an attempt to get some kind of a handle, have "spread sheeted" the PMI's which concern PMCD. These include action memos to the DCI from D/OMB dated 27 July 1976; the DDCI response to D/OMB dated 24 August 1976; and AD/OMB's response to CIA's response dated 16 September 1976 (See Attachment A).

2. Initiative 1.(F) asks essentially for three things: (a) a review of staffing patterns to identify unnecessary layering and excessive organization subdivisions; (b) development of a plan to consolidate sub-units with similar and related functions; and (c) establishment of guidelines for "assistant to" positions. The Comptroller's answer to OMB on this Initiative was, in effect, that the Executive Advisory Group (EAG) is working on the "task of devising the best use of Agency personnel resources" and makes reference to Issue 5, Item III which, among other things, talks about the conduct of an "Inventory of Personnel". OMB's reply to the Comptroller's response points out some deficiencies in the latter and requests a revised plan by 21 October 1976. PMCD has no knowledge of the EAG's deliberations or findings on items (a), (b) or (c) above, nor, were we consulted or have any information on the "revised" plan that was due back on OMB on 21 October 1976.

3. Initiative 5.(E) (Also See Attachment A) calls for a systematic re-examination of internal Position and Classification Management systems and appropriate corrective actions to restrain grade escalation and eliminate duplication of work on under-utilization of personnel. The Comptroller's answer to OMB's initiative 5.(E) was, in effect, that the Agency will conduct an "Inventory of Personnel" which presumably will answer the OMB's questions. We, of course, have no knowledge of the "review of the 1978 program" and its results, the substance of the conduct of a Personnel Inventory, nor, how the results from such an inventory will be used to "adjust" the classification system. We presume that OMB was as confused by the Comptroller's response as we were. However, the OMB's last response was not very enlightening either and further compounded the Comptroller's confusion. The only saving grace here is that OMB, probably in desperation or politeness, did come back in a mild fashion and cite the Civil Service

EYES ONLY

Commission Bulletin 250-7 as the basic referral document (See Attachment B) - the point, in our view, where the Comptroller should have started in the first place.

4. Without belaboring the subject, we have no better understanding of what is going on now, nor what we are expected to do, than we did a month ago. Our previous recommendation that someone find out from the Comptroller what, if anything, PMCD need do emerges again for several reasons. A careful reading of CSC Bulletin No. 250-7 (Attachment B) indicates a number of areas of Personnel Management which need to be reviewed. For example, sufficient disciplined examination of work organization and job classification to assess both the operational quality of position management and classification systems and their degree of compliance with law and regulation; a thorough assessment of the adequacy of the Agency's organization for classification including proper numbers of classifiers, degree of staff expertise, provisions and adequacy of classification training; special reviews of organizations where there is reason to believe that overgrading, undergrading, excessive organizational fragmentation or duplication of work may exist; and prompt corrective action in all situations where inaccurate classification or inefficient position management are found. There are many more. As can be seen, such reviews would require detail planning and large expenditures of time and effort on PMCD's or someone's part. Should we, therefore, commit large manpower efforts to studies which we do not know are either wanted or will be used? As we are well aware, PMCD is so over-burdened now that we are slipping from one thing to the next without being able to do justice to anything. Do we want to add to the burden unless we are sure of what we are doing? Secondly, be it not presumptuous for PMCD to undertake independent studies on subjects which the Director's coordinator (Comptroller) has said are being studied by the Executive Management Group? In our view, specific direction from on high is sorely needed on what, if anything, we are expected to do.

STATINTL



Attachments
A
B

EYES ONLY

PRESIDENTIAL MANAGEMENT INITIATIVES
AS PRESENTED TO THE DCI BY
THE DIRECTOR OMB 27 July 1976

Approved For Release 2002/01/08 : CIA-RDP83-01004R000100110005-7
CIA (COMPTROLLER'S) REPLY DATED 24 Aug 1976

DIRECTOR/OMB'S RESPONSE TO CIA'S
RESPONSE DATED 16 Sept 1976

1 DECISION MAKING AND DEPARTMENTAL ORGANIZATION

- F. Review current staffing patterns and structures to identify unnecessary position layering and excessive organizational subdivisions. Develop a plan to consolidate subunits with similar and related functions. Establish guidelines which will be reviewed by OMB for "assistant to" positions, including number for policy official and grade level. Procedures should be established to ensure at least Agency deputy level review of proposals to create new subdivisions and "assistant to" positions.

1 DECISION MAKING AND DEPARTMENTAL ORGANIZATION

IV. ORGANIZATIONAL REVIEW

- A. Review current staffing patterns and organizational structures to identify unnecessary position layering* and excessive organizational subdivisions.

During the past several months, the Central Intelligence Agency has begun to make organizational changes to implement Executive Order 11905 issued by President Ford in February 1976. Responsibility for day-to-day operations of the Agency is now assigned to the Deputy Director for Central Intelligence (DDCI) who has begun a sweeping review of all phases of the Agency's work. To help him in this review, the DDCI has drawn his senior managers into an Executive Advisory Group (EAG) which has set for itself the task of devising the best use of Agency personnel resources. One vehicle that the EAG has chosen is a personnel inventory which will, inter alia, identify unnecessary position layering and "assistant to" positions. First steps in this process have already been taken and are described in detail in Issue 5, Item III., Position and Classification Management.

- B. Develop plan to consolidate sub-units.

The EAG is currently considering a number of substantial organizational changes. Consideration of consolidating organizational elements will follow.

1. DECISION MAKING AND DEPARTMENTAL ORGANIZATION

IV. ORGANIZATIONAL REVIEW

Personnel inventory discussed in 5. III does not specify milestones or timetable for review of layering and excessive subdivision. By October 21, a revised plan should be submitted to include these omissions and greater detail on plans to consolidate sub-units and to develop guidelines for "assistant to" positions. A statement identifying review criteria for the personnel inventory is also requested. The IC Staff will be asked to develop an organizational review plan.

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1. DECISION MAKING AND DEPARTMENTAL ORGANIZATION

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IV. ORGANIZATIONAL REVIEW (Con't)

- C. Establish guidelines for "assistant to" positions including number per policy official and grade level.

See Issue 5, Item III.

- D. Establish procedures to ensure at least Agency deputy level review of proposals to create new subdivisions and "assistant to" positions.

CIA Headquarters Regulation [REDACTED] reads as follows:

Each Deputy Director is responsible for implementing the provisions of this regulation within the area of his jurisdiction and will... present proposals for significant organizational changes...to the Director for approval. Proposals should be forwarded, with appropriate justification through the Comptroller. (Significant organizational changes include such actions as the establishment or closure of a station or base [and] the transfer of a major function from one component to another.)

The Comptroller will review proposals for significant organizational changes...which have budgetary, manpower, or program implications among two or more directorates and submit appropriate recommendations to the Director.

*See also Issue 5, Item III, for further treatment of this area.

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5. PERSONNEL MANAGEMENT

Position and Classification Management - systematic reexamination of internal systems, and appropriate corrective action to restrain grade escalation and to eliminate duplication of work or under-utilization of personnel.

- E. Agencies should, by September 3, begin a year-long program for the careful, systematic reexamination of internal position management and classification systems called for in the President's May 27 memorandum, in accordance with CSC instructions issued July 2.

OMB and CSC may specify special reviews or instructions on a selective basis, in agencies where there seem to be excessive problems of overgrading, duplication of work, or underutilization of personnel resources.

- H. Agencies should evaluate their current internal systems for administering personnel ceilings to look for better ways of ensuring compliance with those ceilings and providing flexibility for intra-agency ceiling reallocation. A report on this evaluation should be submitted to OMB by September 21.

5. PERSONNEL MANAGEMENT

III. Position and Classification Management

Systematically reexamine internal systems, and take appropriate corrective action to restrain grade escalation and to eliminate duplication of work or underutilization of personnel.

One of the results of the review of the 1978 program in July 1976 was recognition by the senior management of the Central Intelligence Agency of the need to have even more precise knowledge of how our present position allocations relate to individual substantive assignments. This has called into question the applicability of the present system of occupational coding.

Action Step: Conduct Inventory of Personnel
Milestone: Devise questions to be answered by inventory.

Est. Completion Date: 30 September 1976

Milestone: Plan implementation of inventory and make tentative work assignments.

Est. Completion Date: 15 October 1976

Milestone: Complete directorate inventories.

Est. Completion Date: 15 November 1976

Milestone: Compile results.

Est. Completion Date: 31 December 1976

Action Step: Review classification system in light of inventory results.

Est. Completion Date: 28 February 1977

Action Step: Adjust classification system as necessary.

Est. Completion Date: 15 April 1977

5. PERSONNEL MANAGEMENT

III. Position and Classification Management

As indicated in item 2.IV., a statement identifying review criteria for the personnel inventory is requested. Civil Service Commission Bulletin No. 250-7 should be carefully reviewed as these criteria are developed. Report plan and timetable acceptable. This has been identified as an emphasis area and will be addressed by the OMB budget examiner during the FY 1978 budget review. In addition, it will be discussed with the IC Staff.

1241-1477-1200

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Remarks: Gene: Attached are some comments on the <u>Presidential Management Initiatives</u> which I hope will <u>sum up our predicament on the subject.</u> (Please note the comments do not take into account the <u>DDCI Initiatives</u> which we have heard even <u>less</u> about). <div style="text-align: right; margin-right: 50px;">Dick W.</div>			
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